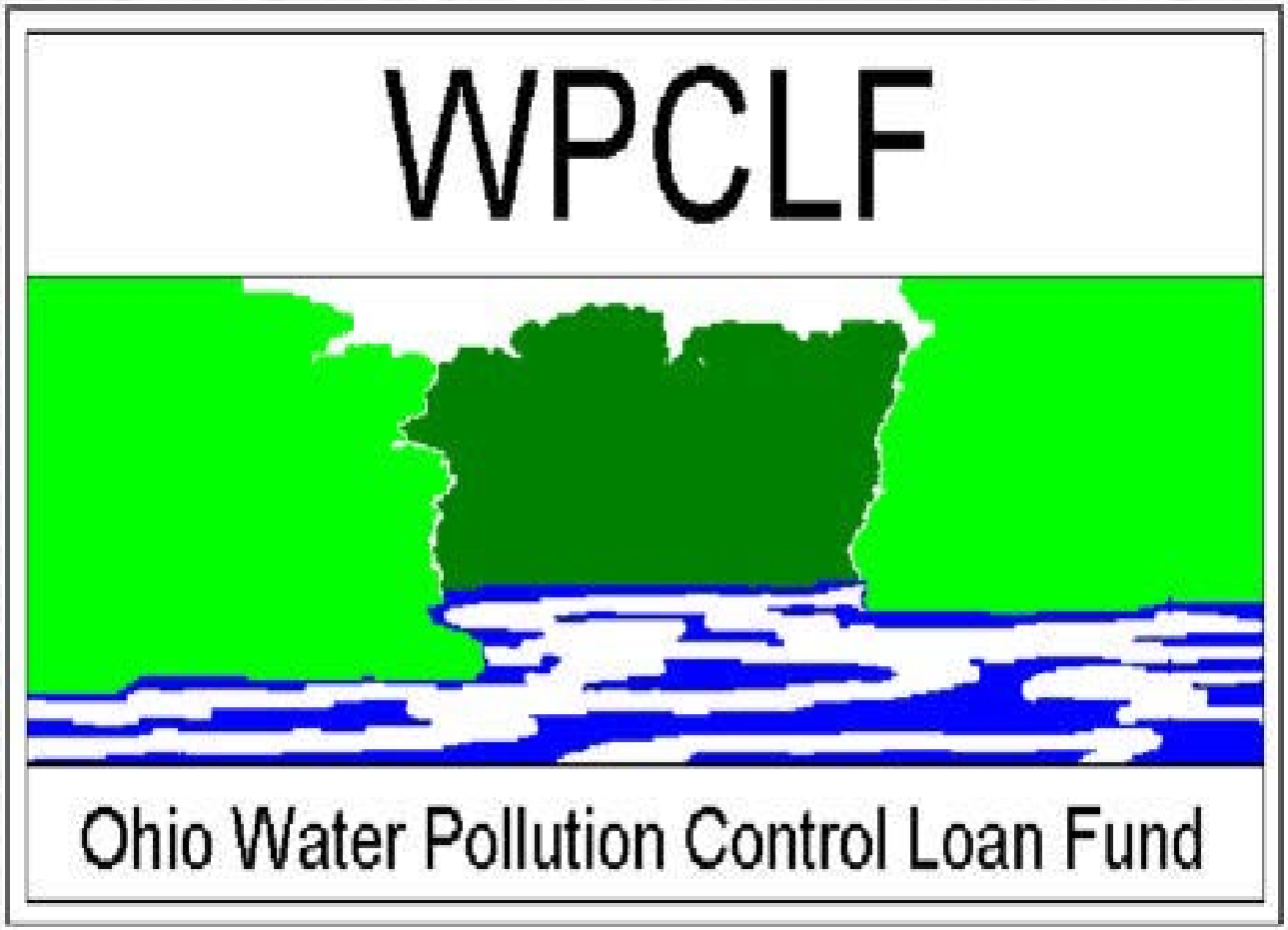

WPCLF
Ohio Water Pollution Control Loan Fund

State revolving loan funds or SRFs provide low interest rate loans and other forms of assistance for water quality improvement projects.

Typically funded projects nationwide include:

- Publicly-owned wastewater treatment plant and sanitary sewer system projects
- Combined sewer overflow controls
- Sewer system rehabilitation and correction of infiltration/inflow

Clean Water Act Goal: Fishable / Swimmable Waters

Chagrin River

Sulphur Springs trout

Clean Water Act Objective

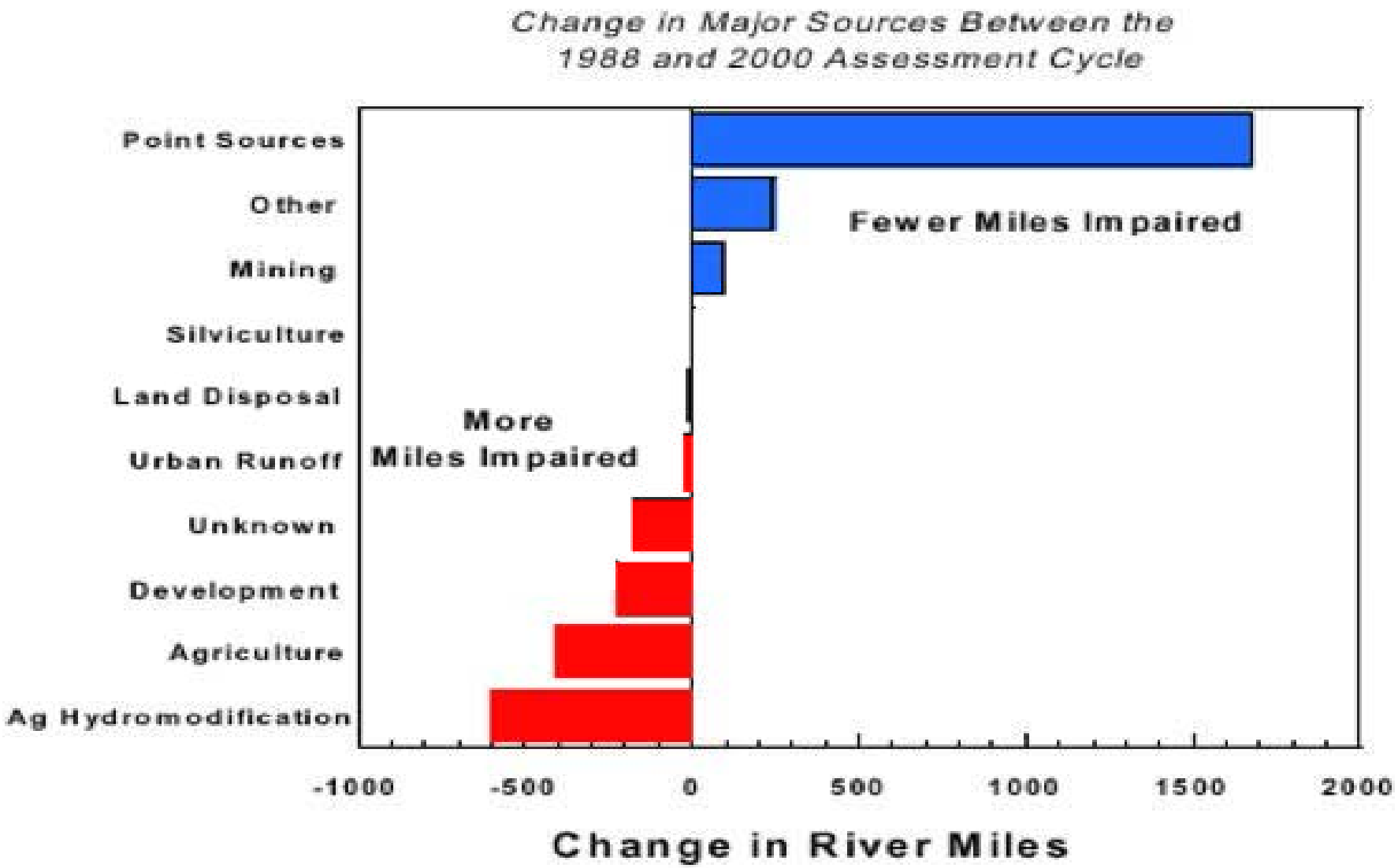
"... to restore the chemical, physical, and biological integrity of the Nation's waters..."

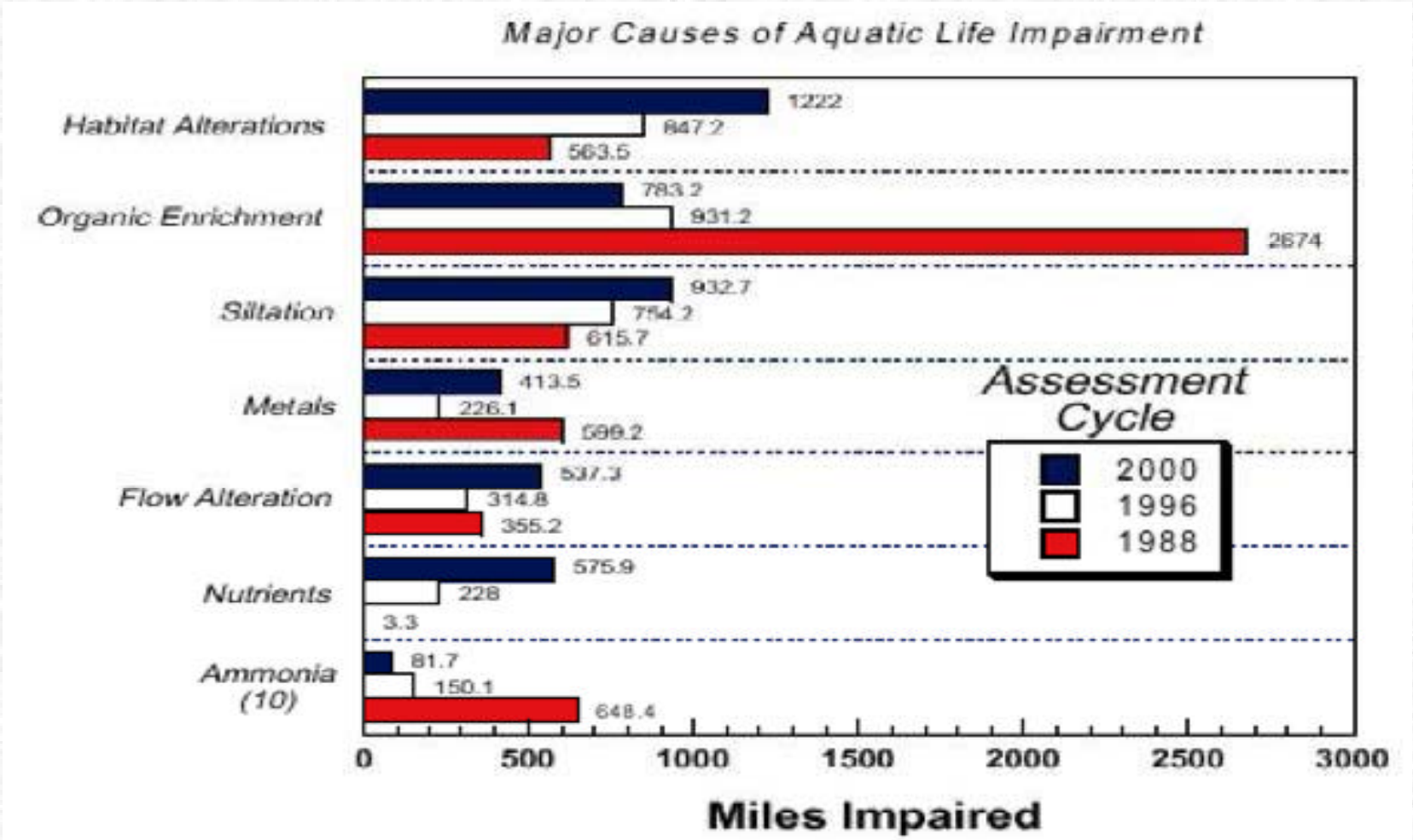
Confluence of Blacklick and Big Walnut Creeks

City of Columbus Southerly WWTP

Effluent limits are based on

aquatic life uses


Change in Major Sources Between the
1988 and 2000 Assessment Cycle
Point Sources
Other
Mining
Silviculture
Land Disposal
Urban Runoff
Unknown
Development
Agriculture
Ag Hydromodification
Fewer Miles Impaired
More
Miles Impaired
-1000
-500
0
500
1000
1500
2000
Change in River Miles


Major Causes of Aquatic Life Impairment
Habitat Alterations
1222
847.2
563.5
Organic Enrichment
783.2
931.2
2674
Siltation
932.7
754.2
615.7
Metals
413.5
226.1
599.2
Flow Alteration
537.3
314.8
355.2
Nutrients
575.9
228
3.3
Ammonia (10)
81.7
150.1
648.4
Assessment Cycle
2000
1996
1988
0
500
1000
1500
2000
2500
3000
Miles Impaired

Water Quality in Ohio

- 54.1% of Ohio's stream miles attain aquatic life uses.
- Leading cause of impairment is habitat degradation and siltation.
- Point sources are primary cause of degradation in only 8.7% of impaired stream miles.

Water Quality in Ohio cont'd.

- Leading threats to streams attaining designated uses are habitat changes and hydromodification associated with urbanization.
- 305(b) report concludes that to significantly improve water quality, habitat and stream channel issues need to be addressed.

Emerging causes and sources of impairments and the need for funds have led to an increase in the types of loans and mechanisms for providing loans.

Ohio also makes loans for:

- Brownfield remediation
- Landfill closure or remediation
- Publicly and privately-owned septage receiving facilities
- Septic system improvements
- Urban storm water runoff
- Stream corridor restoration
- Forestry best management practices
- Development best management practice
- Agricultural runoff controls

The WPCLF's Role

Recognized in early 1990s that the WPCLF needed to address habitat issues to improve water quality in Ohio.

WPCLF Loans For Water Resource Protection/Restoration

WPCLF's Initial Efforts

- Offered direct loans for water resource protection and restoration
- The Nature Conservancy was only organization to use direct loans, taking out three loans for work on Ohio Brush Creek
- Attempted to partner with ODNR's Streambanking Program

Experience Revealed a Basic Problem

This Generates Revenue

This Doesn’t

Challenge:

Solution: Water Resource Restoration Sponsor Program (WRRSP)

One WPCLF Loan

WRRSP Basics: results

- Projects must result in permanent and full restoration and/or protection of a high quality water resource
- Properties acquired are protected with conservation deed restrictions or permanent conservation easements

WRRSP Basics: process

- Community applies for a loan for WWTP improvements
- Community also requests WRRSP assistance according to restoration/protection plan
- Community must have legal ability to act as sponsor
- Community enters into Sponsorship Agreement with Implementer

WRRSP Basics: process cont'd.

- SRF reduces interest rate so repayments slightly lower than for original loan
- SRF awards assistance as principal for both projects to community, with reduced interest rate (> 0.2%) as a condition for sponsorship
- Community provides restoration project funds to implementer

WRRSP Basics: process cont'd.

- Community constructs POTW improvements
- Implementer conducts restoration activities
- Community repays all principal and interest from both projects to SRF
- Community does not receive repayment from Implementer for restoration project

Example WRRSP Loan Structure

Case A. WPCLF Loan Without a WRRSP Project

Community borrows $1,000,000 for POTW project

At current WPCLF interest rate of 3.80% for 20 yrs., total repayments would equal $1,000,000 principal + $436,707 interest = $1,436,707

Case B. WPCLF Loan With a WRRSP Project

Borrow $1,000,000 for the POTW Project AND $393,442 for a WRRSP Project

- **Total loan principal amount equals $1,393,442**
- **Interest rate reduced so P+I repayments equal to repayments that would have been made on the original $1,000,000 loan**
  - **this results in an interest rate of 0.3%**
- **An additional incentive reduction of 0.1% made in interest rate**
- **Final interest rate is 0.2%**
- **Total repayments equal $1,422,193**
- **Applicant saves $14,514 in loan repayments over original $1,000,000 loan at 3.80%**

Management of WRRSP discount

- Analyze the fund capacity regularly
  - Determine amount of WRRSP subsidy
  - Set limit on WRRSP funds available
- Prioritize WRRSP projects based upon criteria that weigh the importance of the resource and probability of success

WRRSP Results to Date

- By end of 2001, over $24 million in funding for 13 projects, restoring and permanently protecting:*
  - 38 miles of stream corridor
  - 1850 acres of riparian lands and wetlands

**Estimate, because all projects are not completed.*

The WRRSP provides a direct financial link between ...

the means ...

... and the end ...

... fulfilling the basic purpose of the CWA SRF Program, which is to support the CWA Objectives.

WRRSP Projects Since 10/00

Project Name	Purpose	Amount $
Vermillion River	riparian land acquisition for protection	672,000
East fork East Branch Black River	restoration of stream banks, stream channel and riparian habitat and land acquisition to accomplish this.	1,730,000
Edison Woods Preserve	preservation and restoration of wooded wetlands and headwater creeks	6,000,000
Upper Cuyahoga River, bog preservation	land acquisition, wetlands restoration	1,500,000
Honey Creek Wetlands & Great Miami River	wetland & riparian land acquisition, riparian enhancement	1,906,000
Stillwater River Protection	riparian land acquisition	1,147,000
Blanchard River Protection	riparian land acquisition	650,000

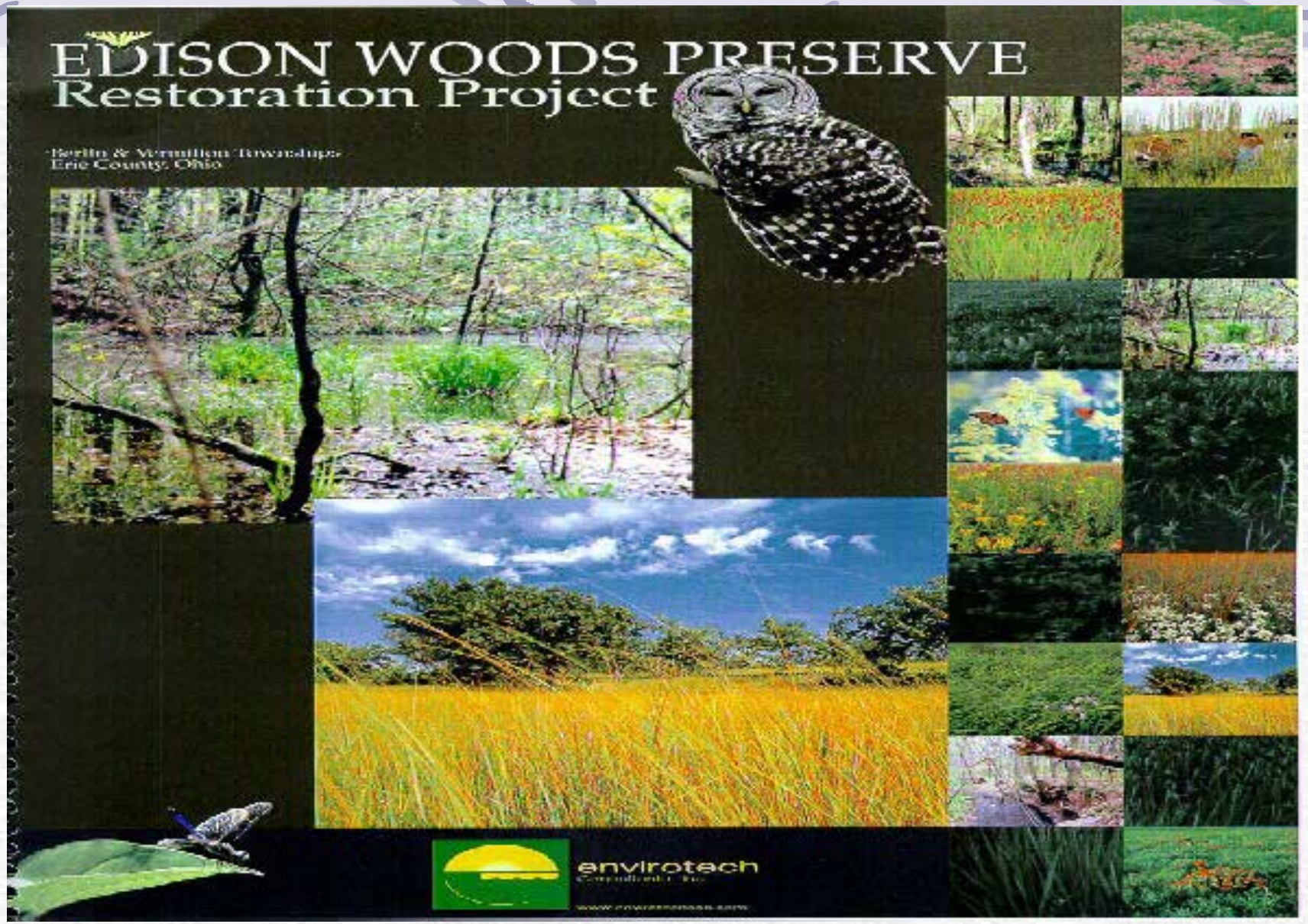
WRRSP Projects Since 10/00 cont'd.

Sulphur Springs Stream Preservation	riparian land acquisition and stream channel restoration	1,153,000
Kent Dam Removal Middle Cuyahoga River Restoration	dam removal study	1,240,000
Singer Lake Bog Preservation	bog acquisition	300,000
Mahoning River Restoration	restoration plan	1,500,000
Brewster Bog Preservation	bog acquisition	1,000,000
Steiner Woods Wetland Preservation	wetland acquisition	725,000
Sawmill Creek Preservation	headwater stream and wetland land acquisition	2,000,000

Total = $ 21,523,000

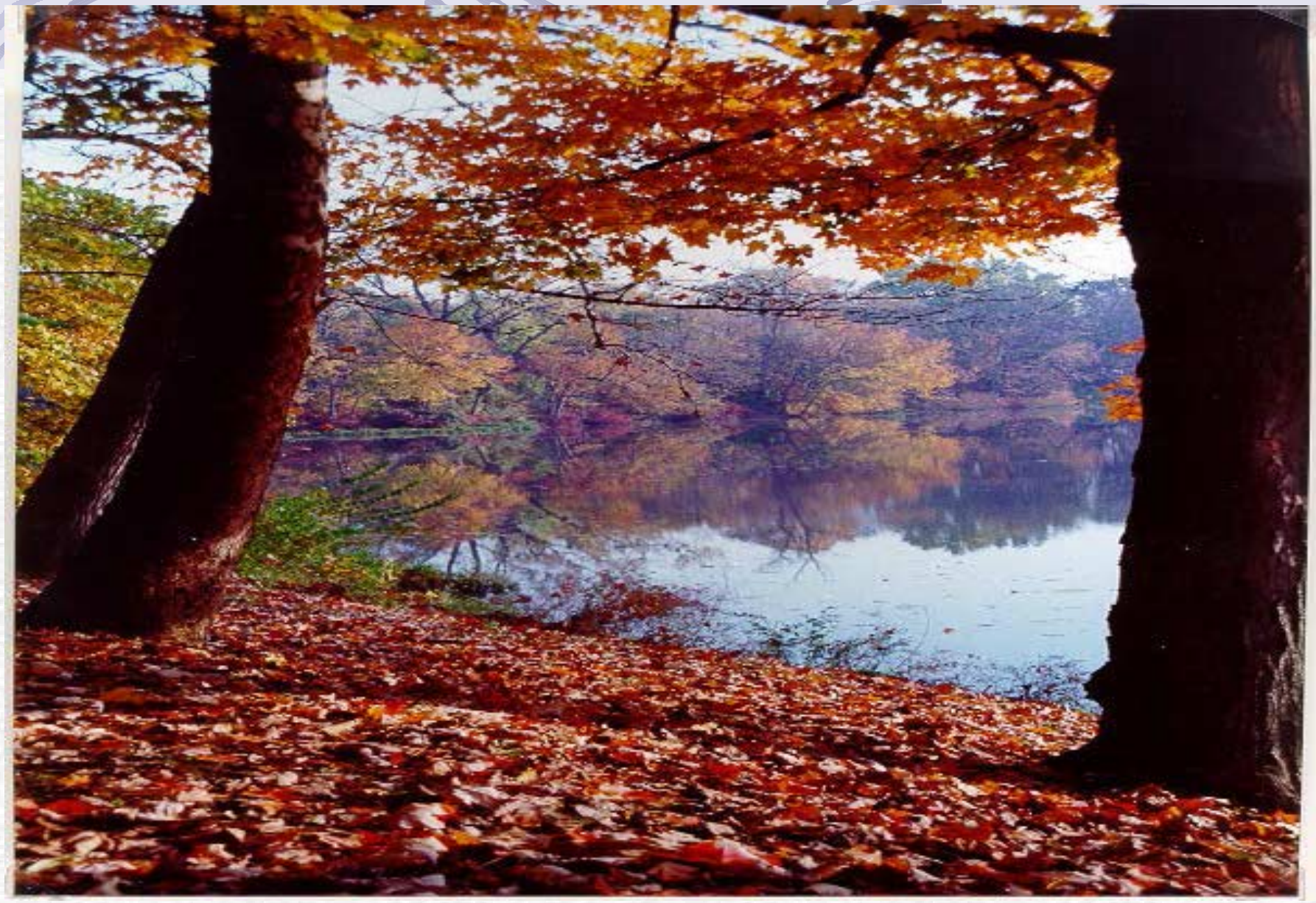
Black River Tributary Restoration

Upper Cuyahoga River


EDISON WOODS PRESERVE
Restoration Project
Berlin & Vermilion Townships
Erie County, Ohio
envirotech

Stillwater River

Honey Creek Watershed



Blanchard River

Middle Cuyahoga River

Sulphur Springs – Chagrin River

Brewster Bog

Steiner Bog

Singer Lake

Mahoning River

Sawmill Creek